



2006 Quarterly Report February – May

LETTER FROM THE GOVERNOR

As we prepare for the upcoming hurricane season, we continue making progress from the devastation of last year's events. In the last three months I have worked closely with the Louisiana Recovery Authority here at home and in Washington, DC to achieve major accomplishments for Louisiana's recovery.



After months of making our case in Washington, we learned that the first round of funding for Louisiana's recovery is finally coming our way. With the federal government's approval of the \$368.4 million request we submitted in April, we can now move forward with key steps in our recovery plan. This crucial funding has been devoted to supporting Louisiana's Bridge Loan Program; local government emergency infrastructure, such as fire houses, police stations and sewer systems; state building infrastructure, such as roads, schools, universities and ports; and start-up costs for *The Road Home* housing plan. The benefits from these investments will go a long way toward rebuilding Louisiana.

A short time later, our rebuilding efforts accelerated with the Legislature's unanimous approval of *The Road Home* housing plan. Our plan allows homeowners to secure up to \$150,000 to cover uninsured damages, provides powerful incentives to encourage the development of affordable rental housing, and offers mitigation grants.

As a result of our hard work to incorporate thousands of suggestions offered by citizens and legislators, *The Road Home* received overwhelming bipartisan support from the Legislature.

As soon as the Legislature acted, we sent our action plan to Washington for final approval. Now after months of working with the U.S. Department of Housing and Urban Development, we've received final approval to begin our work. We are one step closer to helping homeowners rebuild their lives as we await final Congressional approval of the additional \$4.2 billion we need to fully fund *The Road Home*.

These are just a few highlights from the last few months. As you will see in this report, the Louisiana Recovery Authority has demonstrated another quarter of solid results. In the context of the largest rebuilding effort in American history, we've made significant progress. We know our work is far from done. In the coming months and years ahead, we will continue working hard to address Louisiana's recovery needs. I am confident that together we will rebuild a safer, stronger, and smarter Louisiana.

Sincerely,

A handwritten signature in dark ink that reads "Kathleen Babineaux Blanco". The signature is fluid and cursive, with the last name being particularly prominent.

Kathleen Babineaux Blanco
Governor



EXECUTIVE SUMMARY

Introduction

The pace of recovery planning has quickened in Louisiana. As the anniversaries of hurricanes Katrina and Rita and the subsequent failure of the New Orleans levee system approach, the Louisiana Recovery Authority's (LRA) vision of a safer, stronger, smarter Louisiana is coming into sharper focus. While much more remains to be done to get hundreds of thousands of displaced Louisiana residents on the road home, the building blocks for their return are now in place. Thanks to the most extensive recovery planning effort in American history and an unprecedented level of cooperation among local, state and federal governments and private citizens, there is evidence of rebirth and recovery in Louisiana.

Securing Recovery Funding

In the last quarter, the LRA successfully lobbied for the passage of \$29 billion in Gulf Coast aid, including \$6.2 billion in Community Development Block Grants (CDBG) for Louisiana, and the Gulf Opportunity Zone Act of 2005, which aims to boost the business sector and spur private investment and development along the Gulf Coast.

This quarter, the LRA focused on working with President George W. Bush, Federal Gulf Coast Recovery Coordinator Donald Powell, the Louisiana Congressional Delegation and the United States Congress to clearly demonstrate the need for additional funding, including:

- \$4.2 billion to fully fund *The Road Home* plan, which encourages all residents to return, rebuild and reinvest in Louisiana and
- \$3.7 billion necessary to fortify levees in the New Orleans area against the 100-year storm.

“ The \$4.2 billion request was done in a coordinated effort with state and local authorities ... The housing plan has been coordinated by the state authorities with local authorities, as well as with HUD authorities. In other words, we've all been working together to figure out how to come up with a housing plan that will restore the confidence of the people of this important part of our country. ”

George W. Bush

President of the United States
March 8, 2006

This funding is included in President Bush's Emergency Supplemental Appropriations Bill, which is currently pending final approval in Congress.

In addition to working in Washington to secure funds, the LRA is also working to secure other investments in Louisiana. The LRA Support Foundation, a private, nonprofit organization that raises funds to provide external resources and support for the LRA's efforts, has raised \$7.9 million in contributions and pledges.



Establishing Principles and Policies for Redevelopment



LEVEES & INFRASTRUCTURE

The infrastructure of South Louisiana was battered by hurricanes Katrina and Rita and the failure of the New Orleans levee system. The LRA is working to secure full funding for comprehensive levee protection and coastal restoration and will continue to press the U.S. Army Corps of Engineers for accountability and reconstruction of a strong, durable protection system for all our citizens. While this work can't happen soon enough for Louisianians and those around the country who depend on the goods and materials shipped through our waterways and ports, progress is being made.

- As previously mentioned, The LRA is working with the Louisiana Congressional delegation and others, to secure the \$3.7 billion necessary to fortify levees in the New Orleans area against the 100-year storm. This funding is included in the emergency supplemental appropriations bill, which is pending final approval in Congress.
- The Army Corps of Engineers recently announced that the levees damaged by Katrina and Rita are 100 percent repaired and exceed pre-Katrina strength.
- The Corps is also restoring undamaged areas of the levees to design heights and completing authorized projects, which were previously scheduled for completion in September 2007.

The LRA has also committed to investing \$2.5 billion in CDBG funds to repair, replace and rebuild other critical infrastructure in Southeast and Southwest Louisiana. From this allocation, the LRA has proposed:

- \$150 million to be used as FEMA matching funds for the repair and reconstruction of damaged or destroyed state buildings.
- \$100 million for use as FEMA matching funds for local governments who have adopted the latest base flood elevations of the FEMA Flood Recovery Guidance to carry out emergency infrastructure projects.
- The use of CDBG funds as FEMA match dollars to help local communities rebuild as much as \$10 billion in public infrastructure, such as critical sewer systems, schools and universities, that was destroyed by hurricanes Katrina and Rita.

ECONOMY AND WORKFORCE

Hurricanes Katrina and Rita and the failure of the New Orleans levee system damaged more than 18,000 businesses and impacted commerce in Louisiana and around the country. Last quarter the LRA committed to investing \$350 million in CDBG funds to support the renewal of Louisiana's economy. From this allocation, the LRA immediately proposed and received legislative approval to invest \$100 million for the continuation and expansion of the Louisiana Bridge Loan Program, which offers up to \$100,000 in working capital to businesses in 37 parishes.

This quarter, the LRA authorized program development and recommended to the Legislature an additional:

- \$100 million for a Long Term Recovery Loan Program to leverage nearly \$550 million in funding for fixed assets, equipment, and working capital
- \$40 million for a Small Firm Recovery Loan and Grant Program targeting firms that do not qualify for conventional financing and/or loans from the Small Business Administration
- \$30 million for a Louisiana Tourism Recovery Program to revive the second largest industry in the state
- \$10 million to provide technical assistance to small firms seeking to start new businesses in the impacted communities

HOUSING

To assist displaced residents after more than 200,000 homes were damaged or destroyed, Governor Blanco and the LRA developed *The Road Home* housing program. When fully funded, *The Road Home* will represent by far the largest single housing reconstruction program in U.S. history. This groundbreaking program will stimulate reinvestment in Louisiana by:

- Providing displaced homeowners with a maximum of up to \$150,000 for uninsured, uncompensated damages, to repair, rebuild, relocate, or sell their homes.
- Funding rental development incentives and other developer incentives designed to replace the tens of thousands of rental properties damaged or destroyed by the storms.
- Providing funds to increase shelter capacity for the homeless and funds for local governments to meet newly adopted building codes.



HOUSING FACT:

To date, more than 80,000 people have registered for *The Road Home*, but there are still a lot of homeowners who have not contacted us.

Are you registered for *The Road Home*?

**To sign up, call
1-888-ROAD-2-LA
or visit
www.louisianarebuilds.info**

HEALTH CARE

Healthcare reform is an integral step in Louisiana's long-term recovery. The LRA is guiding and overseeing several efforts to improve the quality of health care in the communities impacted by the storms and strengthen the safety net system of care for the poor and uninsured. This quarter, through its Support Foundation, the LRA also retained national consultants PricewaterhouseCoopers to report on the status of Louisiana's health care system in the aftermath of hurricanes Katrina and Rita. Upon receipt of this report, the LRA immediately endorsed several recovery-related recommendations and submitted the entire report to Governor Blanco, the Legislature, and others "to guide their planning for and implementation of long-term redesign of a statewide health care system of high quality and sustainability." As these efforts move forward, the LRA will continue to support recovery and redesign health care initiatives in Southwest and Southeast Louisiana.

HUMAN SERVICES

Providing for the human and social service needs of our vulnerable populations and those who now need assistance due to the storms is a key focus of the LRA.


- In consultation with the Division of Administration, the Department of Social Services, and the Department of Health and Hospitals, the LRA recommended and received Legislative approval to invest \$220 million in Social Services Block Grants to provide case management services through the Louisiana Family Recovery Corps for child welfare, child care, and behavioral health services, preventive and primary care services and restoration of the public health safety net.
- The LRA also collaborated with the Department of Social Services to develop a homelessness plan to repair and restore shelter and housing capacity, acquire new permanent supportive housing, and provide prevention services.

EDUCATION

The educational infrastructure in Louisiana was hit hard by Hurricanes Katrina and Rita and the failure of the New Orleans levee system, and the LRA is committed to recommending that a portion of CDBG dollars dedicated to infrastructure improvements are used to help build a public education system that is not only safer and stronger, but also provides students with a first-class education. Significant milestones in the recovery of Louisiana's education system were achieved this quarter, including: the Louisiana Department of Education hosting the first meeting of the Recovery School District Advisory Committee in March and the reopening of 25 public schools in Orleans Parish this spring.

ENVIRONMENT

The Department of Environmental Quality (DEQ) and the Environmental Protection Agency (EPA) have worked diligently to ensure that residents and communities are environmentally safe by conducting extensive soil sampling. In addition, debris removal is moving at a fast pace. In the first six months of recovery, workers removed more than 25 times more debris from Louisiana than was removed from the World Trade Center site. Finally, much work is being done to encourage qualified wastewater treatment facilities to utilize wetlands assimilation techniques and other technologies to help build protective areas.



In an effort to lead a successful long-term community planning process, the LRA has initiated the Louisiana Speaks planning effort. Louisiana Speaks is a multifaceted planning process to develop a sustainable, long-term vision for South Louisiana in the wake of the destruction caused by Hurricanes Katrina and Rita. While long-term planning efforts are ongoing, key accomplishments achieved this quarter include:

- Working with world-renowned planner Andres Duany of Duany Plater-Zyberk & Company, the LRA hosted neighborhood planning workshops or “charrettes” in three diverse communities that were impacted by the storms. The plans developed for downtown Lake Charles, South Acadiana, Arabi and other parts of St. Bernard Parish will serve as models for other neighborhoods that will be rebuilt.

- Working with PolicyLink and others, the LRA launched the recovery Web portal, www.louisianarebuilds.info, which provides a single point of contact for both online and offline communication efforts.

- Working with Urban Design Associates, the LRA hosted numerous rebuilding workshops with stakeholders to support the development of a Pattern Book, which will serve as a valuable tool in the rebuilding efforts of residents and businesses. Pattern Books will be widely distributed to the public in July.

- Working with Calthorpe Associates and others, the LRA is building a network of more than 1,000 stakeholders who will come together in July at a series of large workshops hosted across the state. The goal of these workshops is to begin creating the rebuilding scenarios that will guide the development of South Louisiana's 25-year plan.

- Working with FEMA's Long Term Community Recovery Division ESF-14, the LRA developed a new web-based Parish Recovery Planning Tool, available through www.louisianaspeaks.org, to help facilitate planning efforts at the parish level.

Leading Long Term Community and Regional Planning Efforts

LOUISIANA SPEAKS Our Voice. Our Plan. Our Future. LOUISIANA LONG-TERM RECOVERY PLANNING

The Louisiana Speaks recovery planning process will:

- Support a deliberate and democratic process that relies on active participation;
- Empower local communities to develop plans that meet individual needs;
- Establish priorities at the local level to guide decisions;
- Support communities with the best national planning experts working in partnership with local architects, planners, and engineers; and
- Provide user-friendly opportunities to enable development of individual plans.



Ensuring Transparency & Accountability

As Louisiana moves to recover and rebuild, there will be millions of dollars of contracts for cleanup, demolition and construction awarded in Louisiana.

To ensure the highest standards of integrity for all activities associated with recovery and rebuilding efforts, the LRA has strengthened the state's fiscal accountability procedures by:

- Creating an interagency working group, the Fraud Prevention and Investigations Task Force, which has been charged with creating a coordinated plan to identify potential areas of fraud, create a mechanism to prevent fraud and investigate individual cases of fraud, determine the method to prosecute those who are suspects of fraud and propose penalties for those individuals or corporations who are convicted of fraud.
- Establishing an Audit Committee to ensure best practices and procedures in the management of any funds received, expended, or disbursed by the LRA.
- Performing extensive public outreach for *The Road Home* housing plan and ensuring transparency of the plan's development by making all relevant documents available online and via printed versions where appropriate, and incorporating and responding to over 1,000 public comments.

Moving Forward

While significant progress has been made in recovery planning, the months ahead will continue to be challenging as we focus on activities underway in Louisiana – from the reconstruction of housing and infrastructure, to improving our schools and hospitals, and rebuilding and re-securing our levees. Our role will be to continue to ensure every dollar is spent wisely and accounted for honestly and that the citizens of Louisiana see meaningful progress being made every day in the towns and cities where they live and work and where they hope to return and raise their families. The overwhelming size of the catastrophes has made planning a challenging and demanding task. But we are clearly on The Road Home.



LOUISIANA RECOVERY AUTHORITY: Moving Toward a Safer, Stronger, Smarter Louisiana

- ☒ **Encourage US Congress to Pass Emergency Supplemental Appropriations Bill for Hurricane Recovery**
Make the case for \$4.2 billion in additional aid for housing and \$3.7 billion for levees so residents can begin rebuilding their lives at home in Louisiana
- ☒ **Submitted “The Road Home” Housing Plan to HUD – Groundbreaking Program to Stimulate Reinvestment, Not Reimbursement**
Plan provides displaced homeowners with a maximum of \$150,000, minus insurance payments and FEMA assistance, to repair, rebuild, take a buyout and relocate, or sell their homes; includes numerous public comments to ensure plan treats all homeowners fairly
- ☒ **Managed Daily Oversight of the Most Ambitious Recovery Planning Effort in American History**
Making certain that every recovery dollar is spent wisely and accounted for honestly
- ☒ **Worked with Governor and Louisiana Legislature to Implement a Strict New Statewide Building Code**
Ensures any new construction will be built safely and wisely
- ☒ **Established Tough New Standards to Prevent Unsafe Rebuilding in Flood Zones**
Funds will only be provided to communities and parishes abiding by FEMA flood map requirements for the construction and reconstruction of all homes, businesses and other structures
- ☒ **Received HUD Approval for \$368.4 Million in CDBG for Small Business Recovery and Infrastructure**
Grants vital to small businesses and critical to rebuilding local government emergency infrastructure
- ☒ **Established LRA Support Foundation to Attract Private Donors to Recovery Effort**
Provides funding for team of world-renowned planners to lead the largest rebuilding effort in American history, including \$3.5 million newly pledged by the Rockefeller Foundation
- ☒ **Received Comprehensive Report on Louisiana's Healthcare System, Commissioned by the LRA Support Foundation**
Includes recommendations for improving the quality of healthcare for all Louisianans and strengthening the safety net system of care for the poor and uninsured